

EXHIBIT 178

ATTACHMENT 4.19-B

3. Medicare's upper limit of payment.

The payment to an emergency room physician for the screening and assessment of a patient who receives non-emergency care in the emergency room shall not exceed the payment for a problem focused history, examination, and straightforward medical decision making.

- (q) The upper limits on payments for all noninstitutional items and services shall be established by the department in accordance with section 346-59, HRS, and other applicable state statutes.

4. PAYMENT FOR CERTAIN OTHER NON-INSTITUTIONAL ITEMS AND SERVICES:

a. Payment for prescribed drugs:

1. For single source drugs, shall not exceed the lower of:

- A. The billed charged;
- B. The provider's usual and customary charge to the general public; or
- C. The estimated acquisition cost (EAC) or the average wholesale price (AWP) when the AWP is the average selling price, plus a reasonable dispensing fee.

2. For multiple source drugs, shall not exceed the lower of:

- A. The billed charges;
- B. The provider's usual and customary charge to the general public;
- C. The estimated acquisition cost (EAC) or the average wholesale price (AWP) when the AWP is the average selling price, plus a reasonable dispensing fee;
- D. The Federal Upper Limit (FUL) price plus a reasonable dispensing fee; or
- E. The State Maximum Allowable Cost (MAC) plus a reasonable dispensing fee;

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3. Over-The-Counter (OTC) drugs shall not exceed the lower of:
- A. The billed charges;
 - B. The provider's usual and customary charge to the general public including any sale item which may be available on the day of service;
 - C. The allowance set by the program (State maximum allowable costs);
 - D. The estimated acquisition cost (EAC) or the average wholesale (AWP) when the AWP is the average selling price, plus a reasonable dispensing fee; or
 - E. The Federal Upper Limit (FUL) price plus a reasonable dispensing fee;

Under no circumstances shall the program pay more than the general public for the same prescription or item.

4. Payments for medical supplies shall be made as described in section 3 (I) above.
5. The Federal Upper Limit (FUL) price does not apply if a physician:
- A. Certifies in his or her own handwriting that a specific brand is medically necessary for a particular recipient. A checkoff box on a form is not acceptable by a notation of "brand medically necessary" or do not substitute" is allowable.
 - B. Obtains medical authorization for medical necessity from the state medical assistance program for specific brands of medication designated by the program.

In such cases, the payment shall not exceed the lower of:

- A. The billed charge;

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